

TEACHERS' RETIREMENT BOARD

INVESTMENT COMMITTEE

SUBJECT: Report of the Chief Investment Officer

ITEM NUMBER: 14

ATTACHMENT(S): 5

ACTION: _____

DATE OF MEETING: June 3, 1998

INFORMATION: X

PRESENTER(S): Mr. Mitchell

The following is a summary of the developments in the financial markets that have occurred between May 1, 1998 and May 20, 1998.

1. The yield on the 30 year U.S. Treasury security was unchanged at 5.95%. The market value of the S&P 500 Index has decreased from 1,111 to 1,109.
2. The U.S. dollar strengthened compared to the yen (133 to 136) and pound sterling (1.67 to 1.62) and weakened compared to the mark (1.79 to 1.78).
3. The Federal Reserve Board of Governors meeting was May 19, 1998. Short term interest rates will remain unchanged. The next scheduled meeting is June 30, 1998.
4. The Japanese yen traded at 137 yen to the dollar for the first time since July 1991. This represents a 75% retracement from the lows established in April 1995.

Attachment 1, pages 1 and 2, are not available in electronic format at this time.

California State Teachers' Retirement System
Off Balance Sheet Transactions
For the period ended April 30, 1998

Attachment I
Page 3

<i>Currency Hedging - Market Value (amounts in millions)</i>						
Managers	Pacific Basin		European		Total	
Active International	\$1,331.13	16.3%	\$ 3,948.41	3.9%	\$5,279.54	7.0%
Passive International	\$3,598.05	17.8%	\$ 7,682.44	3.1%	\$11,280.49	7.8%
Global	\$ 158.46	21.8%	\$ 1,129.01	24.2%	\$1,287.47	23.9%
* Does not include emerging market securities, Canadian stocks, cash or accruals.						

<i>Currency Realized Gains/(Losses) (amounts in millions)</i>			
Managers	Currency Realized Gains/(Losses)		
	1 Month	1 Year	Since Inception
Active International	\$5.35	\$31.94	\$115.23
Passive International	\$4.03	\$109.08	\$435.60
Global	\$1.61	\$8.87	\$95.57

<i>Securities Lending Income</i>			
Asset	Current Fiscal Year		Prior Fiscal Year
	7/97-4/98	vs.	7/96-4/97
Domestic Equity	\$8,977,203		\$5,920,326
International Equity	\$15,177,506		\$12,044,735
US Treasury	\$14,296,782		\$15,571,747
Other Fixed Income Securities	\$1,502,307		\$2,259,207
Total Income	\$39,953,798		\$35,796,015

<i>Securities Lending (On-Loan/Collateral Summary)</i>			
Asset	Securities On-Loan	Collateral Valuation	Percent
Domestic Equity	\$2,850,915,182	\$2,924,174,334	103%
International Equity		\$2,387,096,714	104%
	\$8,145,216,644	\$8,267,738,417	
Other Fixed Income Securities	\$839,894,535		102%
Total Value			

Attachment 2, pages 1 and 2, are not available in electronic format at this time.

California State Teachers' Retirement System
Global Managers
As of April 30, 1998

TC46 BARING INTERNATIONAL INVESTMENT LTD.					
Region	Stocks	Bonds	Net Forward Position	Net Exposure	%
Pacific Basin	\$43,893,384	\$0	(\$17,979,264)	\$25,914,120	2.95%
Europe	\$230,195,191	\$204,401,068	(\$100,879,918)	\$333,716,341	37.94%
Canada	\$0	\$4,242,238	\$0	\$4,242,238	0.48%
Emerging Markets	\$66,001,983	\$4	\$0	\$66,001,987	7.50%
Total Non-Dollar	\$340,090,558	\$208,643,310	(\$118,859,182)	\$429,874,686	48.88%
United States	\$135,143,486	\$165,273,681	\$118,859,182	\$419,276,349	47.67%
Total Invested	\$475,234,044	\$373,916,991	\$0	\$849,151,035	96.55%
Cash/Receivable/Payable				\$30,373,856	3.45%
Total Assets				\$879,524,894	100.00%

TC47 BRINSON PARTNERS, INC..					
Region	Stocks	Bonds	Net Forward Position	Net Exposure	%
Pacific Basin	\$50,050,727	\$19,095,325	\$62,681,342	\$131,827,394	16.84%
Europe	\$138,398,383	\$206,250,968	(\$96,602,186)	\$248,047,165	31.69%
Canada	\$6,299,638	\$26,882,968	(\$15,155,467)	\$18,027,139	2.30%
Emerging Markets	\$0	\$0	\$0	\$0	0.00%
Total Non-Dollar	\$194,748,748	\$252,229,261	(\$49,076,311)	\$397,901,698	50.84%
United States	\$96,436,444	\$204,526,100	\$49,076,311	\$350,038,855	44.73%
Total Invested	\$291,185,192	\$456,755,361	\$0	\$747,940,553	95.57%
Cash/Receivable/Payable				\$34,700,421	4.43%
Total Assets				\$782,640,970	100.00%

TC48 FIDUCIARY TRUST COMPANY INTERNATIONAL					
Region	Stocks	Bonds	Net Forward Position	Net Exposure	%
Pacific Basin	\$27,713,987	\$17,705,567	(\$10,104,892)	\$35,314,662	3.87%
Europe	\$212,696,252	\$137,070,780	(\$75,237,728)	\$274,529,304	30.08%
Canada	\$6,179,988	\$0	\$23,372,255	\$29,552,243	3.24%
Emerging Markets	\$29,673,119	\$16,439,409	(\$53,582)	\$46,058,946	5.05%
Total Non-Dollar	\$276,263,346	\$171,215,756	(\$62,023,947)	\$385,455,155	42.23%
United States	\$299,440,205	\$138,764,921	\$62,023,947	\$500,229,073	54.81%
Total Invested	\$575,703,551	\$309,980,677	\$0	\$885,684,228	97.04%
Cash/Receivable/Payable				\$27,023,777	2.96%
Total Assets				\$912,708,006	100.00%

GLOBAL MANAGERS SUMMARY					
Region	Stocks	Bonds	Net Forward Position	Net Exposure	%
Pacific Basin	\$121,658,098	\$36,800,892	\$34,597,186	\$193,056,176	7.50%

California State Teachers' Retirement System**Global Managers****As of April 30, 1998**

Europe	\$581,289,826	\$547,722,816	(\$272,719,832)	\$856,292,810	33.26%
Canada	\$12,479,626	\$31,125,206	\$8,216,788	\$51,821,620	2.01%
Emerging Markets	\$95,675,102	\$16,439,413	(\$53,582)	\$112,060,933	4.35%
Total Non-Dollar	\$811,102,652	\$632,088,327	(\$229,959,440)	\$1,213,231,539	47.12%
United States	\$531,020,135	\$508,564,702	\$229,959,440	\$1,269,544,277	49.31%
Total Invested	\$1,342,122,787	\$1,140,653,029	\$0	\$2,482,775,816	96.42%
Cash/Receivable/Payable				\$92,098,054	3.58%
Total Assets				\$2,574,873,870	100.00%

California State Teachers' Retirement System
Internal S&P 500 Portfolio

On April 1, 1998, California State Teachers' Retirement System began internal management of a \$1 billion S&P 500 portfolio. The portfolio's investment objective is to provide investment results that equal the total return of the S&P 500 Index. Table 1 below is a progress report for the month of April 1998.

Table 1

	Portfolio	Comparative Index	Difference
Total Return	1.038% ¹	1.036% ²	+0.002%
Total Market Value	1,013 (\$ mil.)	8,754 (\$ bil.)	--
Exchange Representation			
NYSE	460	460	0
NASDAQ	37	37	0
AMEX	3	3	0
P/E Ratio	27.99	27.99	0
Dividend Yield	1.42	1.42	0

¹ Portfolio return was calculated by State Street Bank Analytics.

² The comparative index is the S&P 500 Index. The total return for the comparative index was calculated by Wilshire Associates. The S&P 500 Index return as calculated by Standard & Poor's, was 3.0 basis points lower.

Attachment 5 is not available in electronic format at this time.